

Designation Run Report

# Reardon, Steve - Plaintiff and Defense Combined Submission

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Reardon, Steve 11-30-2018

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**Plaintiffs Affirmative Designations 00:45:51**

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**Defense Counter Designations 00:29:28**

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**Plaintiff Counter Counters 00:00:52**

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**Total Time 01:16:11**



## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

Page/Line	Source	ID
134:19 - 135:6	<b>Reardon, Steve 11-30-2018 (00:00:45)</b> 134:19 Q. Tell us your job after that. 134:20 A. Transitioning from 2007? 134:21 Q. Uh-huh. 134:22 A. 2007, I moved away from anti-diversion and 134:23 strictly focused on regulatory compliance, 134:24 facilitating compliance in the distribution 135:1 centers, regulations tied to DEA, Boards of 135:2 Pharmacy, FDA, Department of Transportation, 135:3 creating policies, procedures, to facilitate that 135:4 compliance primarily tied to DEA physical 135:5 security, DEA recordkeeping, procedural security 135:6 around how to handle controlled substances.	SR05.1
410:4 - 410:22	<b>Reardon, Steve 11-30-2018 (00:00:53)</b> 410:4 Q. Mr. Reardon, I'm Mike Fuller. I'm going 410:5 to be taking over for Mr. Papantonio for a little 410:6 bit. Okay? 410:7 A. Okay. 410:8 Q. Tell me, when did you start in the 410:9 anti-diversion division at Cardinal? 410:10 A. Well, I started with Cardinal in January 410:11 of -- June of 1988. 410:12 Q. Correct. 410:13 A. So at that particular point in time, I 410:14 worked in the Peabody distribution center. It 410:15 wasn't a corporate role. 410:16 Q. Okay. 410:17 A. As the company grew, the role expanded and 410:18 we started to centralize activities, and I would 410:19 say we were really going full ahead on that 410:20 starting early '90s. 410:21 Q. So what was your title again from 2005 to 410:22 2007?	SR05.2
411:1 - 411:4	<b>Reardon, Steve 11-30-2018 (00:00:12)</b> 411:1 A. Vice president quality and regulatory 411:2 affairs. 411:3 Q. And how far back did that title go? 411:4 A. I believe I got that title in 2005.	SR05.3
412:14 - 412:15	<b>Reardon, Steve 11-30-2018 (00:00:05)</b> 412:14 MR. FULLER: This is going to be	SR05.4

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412:20 - 413:15	<p>412:15 entered as Plaintiffs' Exhibit 30, for the record.</p> <p><b>Reardon, Steve 11-30-2018 (00:00:50)</b></p> <p>412:20 Q. And if you'll turn to page 7, I think that</p> <p>412:21 is the September 27, 2007 letter.</p> <p>412:22 Do you see that there?</p> <p>412:23 A. I have it.</p> <p>412:24 Q. Now, earlier you looked at the December</p> <p>413:1 2007 letter with Mr. Papantonio, correct?</p> <p>413:2 A. Correct.</p> <p>413:3 Q. Now let's look at this letter as well.</p> <p>413:4 You see it starts out much the same as the</p> <p>413:5 December 2007 letter did.</p> <p>413:6 "This letter is being sent to every</p> <p>413:7 commercial entity in the United States registered</p> <p>413:8 with the Drug Enforcement Administration, DEA, to</p> <p>413:9 distribute controlled substances. The purpose of</p> <p>413:10 this letter is to reiterate the responsibilities</p> <p>413:11 of controlled substance distributors in view of</p> <p>413:12 the prescription drug abuse problem our nation is</p> <p>413:13 currently facing."</p> <p>413:14 You agree that during 2007 we were facing</p> <p>413:15 an opioid epidemic, right?</p>	SR05.5
413:17 - 414:14	<p><b>Reardon, Steve 11-30-2018 (00:00:47)</b></p> <p>413:17 A. Based on the statement here, yes.</p> <p>413:18 BY MR. FULLER:</p> <p>413:19 Q. Well, not based on the statement here.</p> <p>413:20 Based on your own knowledge.</p> <p>413:21 You were in regulatory related to opioids</p> <p>413:22 in 2006, correct?</p> <p>413:23 A. Yes.</p> <p>413:24 Q. You were aware of what was going on in our</p> <p>414:1 society and the epidemic that this country was in</p> <p>414:2 the middle of, weren't you?</p> <p>414:3 A. I was aware that there's opioid abuse.</p> <p>414:4 Q. Now let's continue.</p> <p>414:5 It says, in the next paragraph,</p> <p>414:6 "Background: As each of you know" -- excuse me.</p> <p>414:7 "As each of you is undoubtedly aware, the abuse of</p> <p>414:8 nonmedical use of controlled prescription drugs is</p> <p>414:9 a serious and growing health problem in this</p>	SR05.6

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	414:10 country."	
	414:11 And it cites to the National Institute on	
	414:12 Drug Abuse & Research report.	
	414:13 Do you see that there as well?	
	414:14 A. I do.	
415:9 - 415:19	<b>Reardon, Steve 11-30-2018 (00:00:28)</b>	SR05.7
	415:9 Q. Let's go down just a little bit here where	
	415:10 it says "If the closed system is to function	
	415:11 properly as Congress envisioned, distributors must	
	415:12 be vigilant in deciding whether a perspective	
	415:13 customer can be trusted to deliver controlled	
	415:14 substances only for lawful purposes."	
	415:15 And you agree with that, correct?	
	415:16 If the closed system is going to work the	
	415:17 way it was designed, you must be vigilant as a	
	415:18 wholesale distributor, Cardinal must be vigilant	
	415:19 in the drugs it sends out?	
415:21 - 416:20	<b>Reardon, Steve 11-30-2018 (00:01:01)</b>	SR05.8
	415:21 A. It's a valid statement.	
	415:22 BY MR. FULLER:	
	415:23 Q. Turn to the next page. This is where	
	415:24 Rannazzisi sets out some of your obligations,	
	416:1 right?	
	416:2 You remember this?	
	416:3 If you go down to the third paragraph on	
	416:4 the page, he states that "Statutory factor -- the	
	416:5 statutory factors DEA must consider in deciding	
	416:6 whether to revoke a distributor's registration are	
	416:7 set forth in 21 USC 823(e)."	
	416:8 Are you familiar with that code section,	
	416:9 that rule, that safety rule?	
	416:10 A. No.	
	416:11 Q. "Listed among other factors that the duty	
	416:12 of the distributor is to maintain effective	
	416:13 controls against diversion of controlled	
	416:14 substances"?	
	416:15 A. I'm familiar with the regulations.	
	416:16 Q. And you are aware that you are required to	
	416:17 have a system that maintained effective controls	
	416:18 against diversion of controlled substances and to	

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416:19	other legitimate medical scientific and industrial	
416:20	channels, correct?	
416:22 - 417:22	<b>Reardon, Steve 11-30-2018 (00:01:02)</b>	SR05.9
416:22	A. I understand that we needed to design and	
416:23	operate a system to identify and --	
416:24	BY MR. FULLER:	
417:1	Q. Suspicious orders?	
417:2	A. Suspicious orders.	
417:3	Q. Well, those are two separate requirements,	
417:4	are they not?	
417:5	So here, Mr. Rannazzisi is talking about	
417:6	21 USC 823, which is an United States code.	
417:7	That's what USC stands for, right?	
417:8	A. Yes.	
417:9	Q. And then if you look down further on the	
417:10	page, he's then talking about 21 CFR Code of	
417:11	Federal Regulation 1301.74(b), which is your	
417:12	suspicious orders requirement, isn't it?	
417:13	A. Correct.	
417:14	Q. And then what does he say in the next	
417:15	sentence? Read that to us. "It bears emphasis."	
417:16	A. "It bears emphasis that the foregoing	
417:17	reporting requirement is in addition to and not in	
417:18	lieu of the general requirement under 21 USC	
417:19	823(e) that a distributor maintain effective	
417:20	controls against diversion."	
417:21	Q. So as a distributor, you take on a dual	
417:22	requirement; isn't that right?	
417:24 - 418:4	<b>Reardon, Steve 11-30-2018 (00:00:04)</b>	SR05.10
417:24	A. That's what it appears, based on the	
418:1	letter.	
418:2	BY MR. FULLER:	
418:3	Q. And you didn't know that before today; is	
418:4	that right?	
418:5 - 418:8	<b>Reardon, Steve 11-30-2018 (00:00:07)</b>	SR05.145
418:5	A. My focus was on the regulation.	
418:6	Q. You were focusing on the suspicious order	
418:7	requirements, right?	
418:8	A. Right.	
419:16 - 420:13	<b>Reardon, Steve 11-30-2018 (00:00:51)</b>	SR05.11

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419:16 Q. So you would agree that we have two  
419:17 separate requirements, based on Mr. Rannazzisi's  
419:18 letter, right?

419:19 A. That's what it appears to be.

419:20 Q. Do you disagree with that?

419:21 A. No. I'm going by the letter that --

419:22 Q. And this is a letter you read back in  
419:23 2006?

419:24 A. Yes.

420:1 Q. And if you had any questions, you could  
420:2 have called the DEA about it, right?

420:3 A. Yes.

420:4 Q. So then it then says "Thus, in addition to  
420:5 reporting all suspicious orders, a distributor has  
420:6 a statutory responsibility to exercise due care to  
420:7 avoid filling suspicious orders that might be  
420:8 diverted into other legitimate medical,  
420:9 scientific, or industrial channels;" doesn't it?

420:10 A. Yes.

420:11 Q. And that's what's known as the shipping  
420:12 requirement or not shipping requirement, isn't  
420:13 it?

420:15 - 421:7

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SR05.12

420:15 A. Well, yes.

420:16 BY MR. FULLER:

420:17 Q. Well, let me ask you, when you say a  
420:18 suspicious order and you have to report suspicious  
420:19 orders, suspicious of what? Potential diversion,  
420:20 correct?

420:21 A. Yes, it would be an order of unusual size,  
420:22 pattern, or frequency that would make it  
420:23 suspicious.

420:24 Q. But when we're talking about suspicious,  
421:1 what we're trying to do is prevent diversion,  
421:2 isn't it?

421:3 A. Yes.

421:4 Q. So if we have an order that we've  
421:5 determined is suspicious, we wouldn't want to give  
421:6 it to the people we think are placing the  
421:7 suspicious order, would we?

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421:10 - 421:14	<b>Reardon, Steve 11-30-2018 (00:00:10)</b> 421:10 Q. That wouldn't make sense? 421:11 A. No. 421:12 Q. We would want to do whatever due diligence 421:13 we need to do to confirm that it is not a 421:14 suspicious order before we ship it, correct?	SR05.13
421:16 - 421:16	<b>Reardon, Steve 11-30-2018 (00:00:01)</b> 421:16 A. Correct.	SR05.14
421:18 - 422:16	<b>Reardon, Steve 11-30-2018 (00:01:01)</b> 421:18 Q. Now, let's talk a little bit more about 421:19 these ingredient limit reports. And I've heard 421:20 you say several times today that these ingredient 421:21 limit reports were approved by the DEA. 421:22 Tell the jury who at the DEA approved 421:23 these ingredient limit reports. 421:24 A. I believe there's a letter out there by 422:1 Thomas Gitchel. 422:2 Q. Thomas who? 422:3 A. Gitchel. 422:4 Q. Can you help me out with the spelling of 422:5 that last name? 422:6 A. G-i-t-c-h-e-l. 422:7 Q. And when was that letter sent? 422:8 A. It was around 1990. 422:9 Q. And in 1990, you believe some letter is 422:10 out there that exists that says it's okay to 422:11 provide the ingredient limit reports? 422:12 A. There was a collaboration between the DEA 422:13 and the trade association to develop the report. 422:14 Q. You don't happen to have a copy of that 422:15 letter, do you? 422:16 A. I do not.	SR05.15
423:14 - 423:15	<b>Reardon, Steve 11-30-2018 (00:00:05)</b> 423:14 MR. FULLER: So these 423:15 ingredient limit reports -- let me see 3756.	SR05.16
423:17 - 423:18	<b>Reardon, Steve 11-30-2018</b> 423:17 This is going to be Plaintiffs' Exhibit 423:18 31.	SR05.17
423:24 - 424:14	<b>Reardon, Steve 11-30-2018 (00:00:32)</b> 423:24 Q. Have you seen this type of document	SR05.18

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	424:1 before? It appears to be an ingredient limit	
	424:2 report, correct?	
	424:3 A. Not in this format, but yes.	
	424:4 Q. It is an ingredient limit report?	
	424:5 A. Yes.	
	424:6 Q. And this is something Cardinal kept in the	
	424:7 normal course of business; is that right?	
	424:8 A. Yes.	
	424:9 Q. And I'll represent to you that Cardinal's	
	424:10 produced this to the plaintiffs in this case,	
	424:11 amongst other ingredient limit reports, some of	
	424:12 them going back to 2005. We should have, at least	
	424:13 according to your testimony, ingredient limit	
	424:14 reports going back prior to that; is that right?	
424:17 - 425:2	<b>Reardon, Steve 11-30-2018 (00:00:22)</b>	SR05.19
	424:17 A. It was implemented '94, '95.	
	424:18 BY MR. FULLER:	
	424:19 Q. So you believe ingredient limit reports	
	424:20 started being created by Cardinal in 1994 or '95.	
	424:21 Correct?	
	424:22 A. Correct.	
	424:23 Q. And it's your understanding that these	
	424:24 documents were provided to the DEA; isn't that	
	425:1 true?	
	425:2 A. Correct, on a monthly basis.	
425:15 - 425:18	<b>Reardon, Steve 11-30-2018 (00:00:06)</b>	SR05.20
	425:15 Q. These, again, were kept in the normal	
	425:16 course of business at Cardinal and provided to the	
	425:17 DEA; is that correct?	
	425:18 A. Correct.	
426:12 - 427:7	<b>Reardon, Steve 11-30-2018 (00:00:49)</b>	SR05.21
	426:12 Q. But this document is inclusive of, at	
	426:13 least out of the Wheeling distribution center,	
	426:14 right you see that at the top?	
	426:15 A. Yes.	
	426:16 Q. Out of the Wheeling distribution center	
	426:17 for July of 2007, if this report was run	
	426:18 accurately and produced to us in the format that	
	426:19 Cardinal kept it in, this would be how many ever	
	426:20 pages are here, I'm saying there's 535, whatever	



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426:21 the page count is, this is all suspicious orders,  
426:22 right?

426:23 A. Based on the criteria that the DEA agreed  
426:24 to.

427:1 Q. Based on whatever. These are all  
427:2 suspicious orders under your CFR reporting  
427:3 requirement, correct?

427:4 A. Correct.

427:5 Q. And Cardinal shipped all these orders out  
427:6 into our communities across the country, didn't  
427:7 they?

427:9 - 429:20

**Reardon, Steve 11-30-2018 (00:02:37)**

SR05.22

427:9 A. It may have been some that were caught at  
427:10 the distribution center and investigated.

427:11 BY MR. FULLER:

427:12 Q. Well, this report isn't generated until  
427:13 the end of the month, right?

427:14 A. But it's a two-step process.

427:15 Q. I understand, but just listen to my  
427:16 question.

427:17 This report isn't generated until the end  
427:18 of month, correct?

427:19 A. Correct.

427:20 Q. And any shipments that have gone, have  
427:21 long gone out because it's usually 24-hour  
427:22 turnaround, correct?

427:23 A. Correct.

427:24 Q. So if you look, there's, actually, I  
428:1 think, a run date of August 5, 2007 on here,  
428:2 right?

428:3 A. Yes.

428:4 Q. So these orders were gone by the time this  
428:5 report was printed. You agree?

428:6 A. Correct.

428:7 Q. We'll come back to that document in just a  
428:8 minute, but you're talking about the second part  
428:9 of this process.

428:10 The second part of this process is for  
428:11 pickers and checkers to pick up on excessive  
428:12 orders in the distribution centers; is that true?

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428:13 A. Correct.

428:14 Q. And pickers and checkers are the people

428:15 filling the orders at the distribution facilities,

428:16 right?

428:17 A. Correct.

428:18 Q. And if a picker and checker finds an order

428:19 that exceeds some sort of internal limit, then

428:20 they are to pull that order and report that

428:21 specific order as suspicious; isn't that right?

428:22 A. They're required to -- not necessarily a

428:23 limit. If something they see based on their

428:24 experience with the customer or other customers,

429:1 they can pull the order and do further

429:2 investigation and contact the DEA.

429:3 Q. And how long was this system in place,

429:4 these ingredient limit reports and the picker and

429:5 checkers? That system was in place from back in

429:6 the '90s?

429:7 A. Early '90s until --

429:8 Q. About 2007, right?

429:9 A. Correct. However, the order-filler

429:10 process at least still existed when I retired.

429:11 Q. And when you mean the order-filler

429:12 process, you're talking about the pickers and

429:13 checkers?

429:14 A. Correct.

429:15 MR. FULLER: So let's go to 4924.

429:16 This is going to be plaintiffs' exhibit -- I'm

429:17 sorry, did I say for the record, Plaintiffs'

429:18 Exhibit 31 is going to be P-3756.

429:19 Plaintiffs' Exhibit 32 is going to be

429:20 4924.

430:2 - 430:4

**Reardon, Steve 11-30-2018 (00:00:12)**

SR05.23

430:2 Q. Now, this is a manual that Mr. Brantley

430:3 was just shown the other day when he was being

430:4 deposed. And let's go to page 144.

430:5 - 431:19

**Reardon, Steve 11-30-2018 (00:01:38)**

SR05.24

430:5 144 is required reports to DEA, correct?

430:6 A. Correct.

430:7 Q. And that's the system you were talking

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430:8 about, isn't it?

430:9 A. It would fall under this section.

430:10 Q. If you turn to page 146, you see halfway

430:11 down the page, three-quarters down the page,

430:12 "Suspicious orders"?

430:13 A. Yes.

430:14 Q. Now, suspicious orders, this requirement

430:15 is fulfilling our Code of Federal Regulations

430:16 1301.74(b), correct?

430:17 A. Correct.

430:18 Q. We also have the obligation under the US

430:19 Code to have an adequate system to prevent

430:20 diversion as well, right?

430:21 A. Correct.

430:22 Q. Okay. So this is filling part of our

430:23 obligation.

430:24 And if you look there, "Establishing

431:1 suspicious orders criteria." Do you see that?

431:2 A. Yes.

431:3 Q. And the first sentence says "Wholesaler

431:4 should establish a written criteria of what

431:5 constitutes a suspicious order."

431:6 Did I read that correctly?

431:7 A. Yes.

431:8 Q. So where is the written criteria for

431:9 suspicious orders that Cardinal had?

431:10 A. The criteria is part of the ingredient

431:11 limit report and the document that goes with it.

431:12 Q. I want to know the written criteria.

431:13 Where is the written criteria?

431:14 A. Yes, written criteria, there's a document

431:15 that has the written criteria that the trade

431:16 association and the DEA agreed to.

431:17 Q. Turn to page 271 of the same document.

431:18 You can look on the big screen or you can try to

431:19 find that page, either way, Mr. Reardon.

431:20 - 432:4

**Reardon, Steve 11-30-2018 (00:00:17)**

SR05.146

431:20 Is that the document you're referring to?

431:21 A. No.

431:22 Q. What other document are you referring; to?

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	431:23 Do you know?	
	431:24 A. Again, it was a document that the trade	
	432:1 association had.	
	432:2 Q. The HDMA?	
	432:3 A. Yes, it was NWDA at the time.	
	432:4 Q. NWDA.	
432:5 - 432:15	<b>Reardon, Steve 11-30-2018 (00:00:26)</b>	SR05.147
	432:5 All right. This is in this manual,	
	432:6 obviously?	
	432:7 A. Yes.	
	432:8 Q. It has a suspicious order reporting system	
	432:9 of 1998. Do you see that?	
	432:10 A. Yes.	
	432:11 Q. Have you seen this document before?	
	432:12 A. Yes.	
	432:13 Q. Is it your understanding, is that how the	
	432:14 limit amounts were created in the audit -- or	
	432:15 excuse me -- the ingredient limit reports?	
432:17 - 433:5	<b>Reardon, Steve 11-30-2018 (00:00:21)</b>	SR05.25
	432:17 A. Not the ingredient limit reports.	
	432:18 BY MR. FULLER:	
	432:19 Q. What was this used for? Do you know?	
	432:20 A. I believe this was used for List 1	
	432:21 chemicals.	
	432:22 Q. So this applies only to List 1 chemicals	
	432:23 is your understanding?	
	432:24 A. Yes.	
	433:1 Q. And, therefore, not controlled substances,	
	433:2 unless they include list 1 chemicals, right?	
	433:3 A. Yes.	
	433:4 Q. All right. Great. If you turn to page	
	433:5 266 in this document. 266, "Excess Purchase,	
433:6 - 434:17	<b>Reardon, Steve 11-30-2018 (00:01:21)</b>	SR05.26
	433:6 Schedule II."	
	433:7 Do you see that?	
	433:8 A. Yes.	
	433:9 Q. This is the system we were talking about	
	433:10 earlier with pickers and checkers, right?	
	433:11 A. Yes.	
	433:12 Q. So if we have pickers and checkers, if you	

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433:13 look down there near the bottom, we have three

433:14 categories of oxycodone.

433:15 Do you see that?

433:16 A. Yes.

433:17 Q. And we have limits. We have -- it applies

433:18 to all strengths, correct?

433:19 A. Correct.

433:20 Q. We have hospital limits, then we have

433:21 retail limits. Right?

433:22 A. Right.

433:23 Q. And the retail limits apply to both chain

433:24 and nonchain pharmacies, don't they?

434:1 A. Yes.

434:2 Q. And then based on the policy and procedure

434:3 we were looking at earlier -- again, going back to

434:4 page -- now it's on page 147 -- this is the second

434:5 part of the system you were describing earlier,

434:6 correct?

434:7 A. Correct.

434:8 Q. And it says "Second, on a daily basis,

434:9 cage-involved personnel should be policing and

434:10 identifying individual orders that appear

434:11 excessive."

434:12 Do you see that?

434:13 A. Yes.

434:14 Q. "Policing and identifying."

434:15 Do you know if these persons that were

434:16 hired to police on behalf of Cardinal had any DEA

434:17 background?

434:19 - 435:1

**Reardon, Steve 11-30-2018 (00:00:10)**

SR05.27

434:19 A. They went through training.

434:20 BY MR. FULLER:

434:21 Q. What kind of training did they go through?

434:22 A. Controlled substance training. This is

434:23 actually a training manual that we're looking at.

434:24 Q. And this trained them how to pick and

435:1 check?

435:3 - 435:11

**Reardon, Steve 11-30-2018 (00:00:18)**

SR05.28

435:3 A. Oh, no, no, no, no. No. They were

435:4 trained through the ops teams how to pick, pack,

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	435:5 and ship.	
	435:6 BY MR. FULLER:	
	435:7 Q. And pick, packing, and shipping -- they	
	435:8 have to know what they're picking before they can	
	435:9 point out an excessive order, right, because if	
	435:10 they don't know what substance they're picking,	
	435:11 then it doesn't do them any good, does it?	
435:13 - 435:13	<b>Reardon, Steve 11-30-2018 (00:00:01)</b>	SR05.29
	435:13 A. Correct.	
437:20 - 438:9	<b>Reardon, Steve 11-30-2018 (00:00:35)</b>	SR05.30
	437:20 Q. Well, let's look at what's supposed to	
	437:21 happen.	
	437:22 It says, if the -- on the second, on a	
	437:23 daily basis, we have the individuals policing and	
	437:24 identifying individual orders that appear	
	438:1 excessive in relation to what other customers are	
	438:2 buying and/or customers are -- excuse me -- and/or	
	438:3 customer's purchase history. In these situations,	
	438:4 the DEA should be notified.	
	438:5 So if we have an excessive order that's	
	438:6 picked up on, they exceed one of these parameters	
	438:7 in our sheet or they just think it's excessive, we	
	438:8 have to notify the DEA, according to our own	
	438:9 policies and procedures, correct?	
438:11 - 438:24	<b>Reardon, Steve 11-30-2018 (00:00:34)</b>	SR05.31
	438:11 A. After investigating to see if they believe	
	438:12 the order is legitimate.	
	438:13 BY MR. FULLER:	
	438:14 Q. Where does it say "after investigating"?	
	438:15 Does it say "after investigating" on this	
	438:16 policy? And if it does, you tell me.	
	438:17 A. (Witness reviews document.)	
	438:18 I don't see it.	
	438:19 Q. It doesn't, does it?	
	438:20 A. No.	
	438:21 Q. It says "In these situations where we have	
	438:22 an excessive -- identified an excessive order, the	
	438:23 DEA should be notified, if possible before the	
	438:24 order is shipped," right?	
439:2 - 440:6	<b>Reardon, Steve 11-30-2018 (00:01:02)</b>	SR05.32

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439:2 A. Yes.

439:3 BY MR. FULLER:

439:4 Q. That's what Cardinal says is its  
439:5 obligation in trying to comply with the  
439:6 regulations, right?

439:7 A. It's what it states.

439:8 Q. You don't disagree with that, do you?

439:9 A. I can't disagree with what it states.

439:10 Q. It's a policy and procedure of the  
439:11 company, isn't it? You agree with that,  
439:12 correct?

439:13 A. Correct.

439:14 Q. And they should be held to comply with  
439:15 their own policies and procedures, shouldn't they?

439:16 A. Yes.

439:17 Q. Then it goes on to say that "And a copy of  
439:18 such order should be maintained in the division's"  
439:19 -- meaning whatever distribution center, right?

439:20 A. Yes.

439:21 Q. -- "the division's suspicious order file,  
439:22 along with a regulatory agency contact form, see  
439:23 Form No. 1, notifying of any specific instructions  
439:24 from the DEA."

440:1 Did I read that correctly?

440:2 A. Yes.

440:3 Q. So not only are we providing it to the  
440:4 DEA, but we should be able to go to that  
440:5 distribution center and find all these suspicious  
440:6 order forms, whatever the form is, correct?

440:8 - 441:5

**Reardon, Steve 11-30-2018 (00:01:14)**

SR05.33

440:8 A. Correct, they should be on file.

440:9 BY MR. FULLER:

440:10 Q. So, for example, and to save you -- let me  
440:11 ask you first, the ingredient limit reports, do  
440:12 you know how the ingredient limit was determined?

440:13 A. I don't know specifically. I do know that  
440:14 it was based on family of drugs.

440:15 Q. Right.

440:16 A. Assigned a certain base code for all those  
440:17 drugs, and they were looked at cumulatively.

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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	440:18 Q. It was based on the quantity of the active	
	440:19 ingredient, correct?	
	440:20 A. Correct.	
	440:21 Q. Not dosage units or not pills?	
	440:22 A. Correct.	
	440:23 Q. And then there's also a multiplier in	
	440:24 there, isn't there?	
	441:1 A. There is a multiplier.	
	441:2 Q. And if you look at 3556 and you turn to	
	441:3 page 18.	
	441:4 A. Did you say 3756?	
	441:5 Q. Yes, sir. That big monster. Yes, sir.	
441:7 - 441:9	<b>Reardon, Steve 11-30-2018 (00:00:03)</b>	SR05.34
	441:7 BY MR. FULLER:	
	441:8 Q. If you just want to look at the top and go	
	441:9 to 18.	
441:10 - 441:11	<b>Reardon, Steve 11-30-2018 (00:00:07)</b>	SR05.35
	441:10 A. Got it.	
	441:11 Q. Do you see there -- is there an indicator	
441:12 - 442:1	<b>Reardon, Steve 11-30-2018 (00:00:32)</b>	SR05.148
	441:12 of a -- so this is an ingredient limit report for	
	441:13 non-ARCOS reports.	
	441:14 Do you see the factor used section?	
	441:15 A. Yes.	
	441:16 Q. That's the multiplier that's used,	
	441:17 correct?	
	441:18 A. Yes.	
	441:19 Q. And for non-ARCOS reportables, it's eight.	
	441:20 Is that what it indicates?	
	441:21 A. Yes.	
	441:22 Q. Do you know what it was for reportables?	
	441:23 A. Two or three. I can't remember	
	441:24 specifically.	
	442:1 Q. Would it surprise you if it was four?	
442:3 - 442:18	<b>Reardon, Steve 11-30-2018 (00:00:45)</b>	SR05.36
	442:3 A. That doesn't sound --	
	442:4 BY MR. FULLER:	
	442:5 Q. Doesn't sound right?	
	442:6 A. It doesn't -- it's not what I recall. It	
	442:7 was the factors given to the program by the DEA.	



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	442:8 Q. Well, if we look back at that report we	
	442:9 went to, it gives the factors of three for C-lls	
	442:10 and Ills and eight for noncontrols, right?	
	442:11 A. Correct.	
	442:12 Q. So we know there's a factor. So basically	
	442:13 what the limit is that's set is an average, and	
	442:14 then we multiply it by whatever the factor is,	
	442:15 correct?	
	442:16 A. That's my understanding of how it works.	
	442:17 Q. Okay. So everything that is listed in	
	442:18 this report exceeded that limit?	
442:20 - 442:21	<b>Reardon, Steve 11-30-2018 (00:00:00)</b>	SR05.37
	442:20 BY MR. FULLER:	
	442:21 Q. Correct?	
442:24 - 443:14	<b>Reardon, Steve 11-30-2018 (00:00:31)</b>	SR05.38
	442:24 A. Correct.	
	443:1 BY MR. FULLER:	
	443:2 Q. So -- and we can roll through the report,	
	443:3 but let's see if my understanding is right.	
	443:4 So whatever pharmacies are listed and	
	443:5 whatever drug base codes are separated into, it	
	443:6 will give us a calculation, list all the orders,	
	443:7 right, for the month?	
	443:8 A. Right, right.	
	443:9 Q. And at the bottom, it gives us what the	
	443:10 customer ordered and what the limit was, correct?	
	443:11 A. Correct.	
	443:12 Q. And the only way you make it into this	
	443:13 report is if you exceed the limit?	
	443:14 A. Correct.	
444:7 - 444:23	<b>Reardon, Steve 11-30-2018 (00:00:45)</b>	SR05.39
	444:7 Q. So this is Ohio CVS store, LLC, 322. I'll	
	444:8 represent it's a store in Cleveland, Ohio, where	
	444:9 our track one cases are, cases that we're getting	
	444:10 ready for trial on, okay?	
	444:11 A. Uh-huh.	
	444:12 Q. And if you look there, we have	
	444:13 hydrocodone -- or excuse me, oxycodone	
	444:14 hydrochloride limit. And it gives limits for the	
	444:15 different months and you see that they're	

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444:16 - 444:17	444:16 increasing through that time frame, right? And 444:17 that's the active ingredient limit, right not the 444:18 pill count, correct? 444:19 A. Correct. 444:20 Q. And then we see the oxycodone -- excuse 444:21 me. Yes, the oxycodone totals for those 444:22 respective months that we pulled out of the 444:23 reports, 361, 483, 600 -- excuse me, 461, right?	
446:12 - 446:17	<b>Reardon, Steve 11-30-2018 (00:00:13)</b> 446:12 Q. So we're not looking at the average. 446:13 We're looking at three or four, whatever the 446:14 factor is, standard deviations above the average, 446:15 and then they're still exceeding it by 200 446:16 percent. Would that cause any concern to you as a 446:17 regulator?	SR05.40
446:19 - 447:11	<b>Reardon, Steve 11-30-2018 (00:00:38)</b> 446:19 A. I can only speak to the report and the 446:20 report was developed and approved by the DEA. I 446:21 didn't determine the factors. 446:22 BY MR. FULLER: 446:23 Q. I'm not saying you did, okay. But the 446:24 factors keep changing. As far as the 447:1 hydrochloride limit, those numbers are changing, 447:2 right -- 447:3 A. Yes. 447:4 Q. -- at least according to the PowerPoint, 447:5 correct? 447:6 A. Yes. 447:7 Q. Okay. But the fact that you have a 447:8 limiter that's a multiple of the average and then 447:9 you have customers exceeding it by 200 percent, 447:10 that doesn't cause you some concern as a 447:11 regulator --	SR05.41
447:13 - 447:15	<b>Reardon, Steve 11-30-2018 (00:00:03)</b> 447:13 BY MR. FULLER: 447:14 Q. -- at least, hey, why are we exceeding it 447:15 by 200 percent, right?	SR05.42
447:17 - 448:1	<b>Reardon, Steve 11-30-2018 (00:00:17)</b> 447:17 A. Makes sense. 447:18 BY MR. FULLER:	SR05.43

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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	<p>447:19 Q. And certainly, like you mentioned earlier,</p> <p>447:20 you can go do some due diligence, but you would</p> <p>447:21 want to see that due diligence documented to</p> <p>447:22 justify why we're still shipping such an excessive</p> <p>447:23 number to these particularly this pharmacy,</p> <p>447:24 correct?</p> <p>448:1 A. Correct.</p>	
449:21 - 450:13	<p><b>Reardon, Steve 11-30-2018 (00:00:44)</b></p> <p>449:21 Q. And we talked to Mr. Brantley. He</p> <p>449:22 was one of reviewers, right?</p> <p>449:23 A. Correct.</p> <p>449:24 Q. And he testified the same as you, that</p> <p>450:1 these were all constituted of suspicious orders,</p> <p>450:2 but we believed our obligation was just to send in</p> <p>450:3 the orders, right?</p> <p>450:4 A. Based on the letter from the DEA.</p> <p>450:5 Q. From, according to you, 1990?</p> <p>450:6 A. In that time frame.</p> <p>450:7 Q. Okay. Now, maybe that satisfies our</p> <p>450:8 suspicious orders requirement, correct? That's</p> <p>450:9 the Code of Federal Regulations, 130 whatever?</p> <p>450:10 A. Correct.</p> <p>450:11 Q. But as you recognized when you looked at</p> <p>450:12 the Rannazzisi letter, we have the 21 USC 7823</p> <p>450:13 requirement as well, don't we?</p>	SR05.149
450:15 - 450:23	<p><b>Reardon, Steve 11-30-2018 (00:00:28)</b></p> <p>450:15 A. Yes.</p> <p>450:16 BY MR. FULLER:</p> <p>450:17 Q. And according to that, again,</p> <p>450:18 Mr. Rannazzisi told all of you back in 2006 it</p> <p>450:19 bears emphasis that the foregoing reporting</p> <p>450:20 requirement is in addition to and not in lieu of</p> <p>450:21 the general requirement under 21 USC 823(e), that</p> <p>450:22 a distributor must maintain effective controls</p> <p>450:23 against diversion, right?</p>	SR05.150
451:1 - 451:1	<p><b>Reardon, Steve 11-30-2018 (00:00:00)</b></p> <p>451:1 A. Right.</p>	SR05.46
451:15 - 451:20	<p><b>Reardon, Steve 11-30-2018 (00:00:15)</b></p> <p>451:15 You've already testified earlier that if</p> <p>451:16 we're maintaining effective controls against</p>	SR05.47

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

Page/Line	Source	ID
451:22 - 452:4	<p>451:17 diversion, we're not just going to ship suspicious 451:18 orders, because suspicious orders are orders that 451:19 we have a concern that may be diverted, whether 451:20 it's based on size, pattern or frequency, correct?</p> <p><b>Reardon, Steve 11-30-2018 (00:00:15)</b></p> <p>451:22 A. Correct. And we did that with our 451:23 employees. 451:24 BY MR. FULLER: 452:1 Q. You -- you've explained that process. And 452:2 if we're shipping suspicious orders, we need to do 452:3 some sort of due diligence to make sure that it's 452:4 okay still to ship them?</p>	SR05.48
452:7 - 452:7	<p><b>Reardon, Steve 11-30-2018 (00:00:00)</b></p> <p>452:7 Q. Right?</p>	SR05.49
452:10 - 452:22	<p><b>Reardon, Steve 11-30-2018 (00:00:25)</b></p> <p>452:10 A. That's what the review of the report did. 452:11 BY MR. FULLER: 452:12 Q. Well, let's talk about that because we're 452:13 not reviewing the report until the pills have 452:14 already gone, correct? 452:15 A. Correct. 452:16 Q. So Mr. Papantonio has shown you earlier 452:17 the amount, that the tens, if not hundreds of 452:18 thousands, of pills that were being ordered by 452:19 some of these pharmacies every month. 452:20 But by the time we're reviewing the 452:21 report, those pills are already gone and out on 452:22 the street, aren't they?</p>	SR05.50
452:24 - 453:4	<p><b>Reardon, Steve 11-30-2018 (00:00:08)</b></p> <p>452:24 A. Correct. 453:1 BY MR. FULLER: 453:2 Q. It's not an effective system to prevent 453:3 diversion if we've already sent out the pills, and 453:4 then we're reviewing the report, is it?</p>	SR05.51
453:6 - 453:11	<p><b>Reardon, Steve 11-30-2018 (00:00:14)</b></p> <p>453:6 A. It could be suspect; we could prevent it. 453:7 BY MR. FULLER: 453:8 Q. You would agree, right, that if we're 453:9 having concerns about a pharmacy, we need to 453:10 justify those concerns so it's safe to send those</p>	SR05.52

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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453:14 - 453:18	<p>453:11 pills before we send them, correct?</p> <p><b>Reardon, Steve 11-30-2018 (00:00:11)</b></p> <p>453:14 A. Again, that's what we did for the process</p> <p>453:15 with our employees.</p> <p>453:16 BY MR. FULLER:</p> <p>453:17 Q. We're relying on pickers and checkers?</p> <p>453:18 A. That was the second step of the process.</p>	SR05.53
454:5 - 454:18	<p><b>Reardon, Steve 11-30-2018 (00:00:39)</b></p> <p>454:5 Q. So what I also did, Mr. Reardon, is I took</p> <p>454:6 the ingredient limit report and I went through it</p> <p>454:7 based on what you've testified earlier is</p> <p>454:8 excessive purchase Schedule II, all right.</p> <p>454:9 And you see down there at the bottom, the</p> <p>454:10 different types of oxys. It's either 1,200</p> <p>454:11 tablets, 500 tablets or 600 tablets, which is the</p> <p>454:12 limit?</p> <p>454:13 A. Yes.</p> <p>454:14 Q. And according to the company's own</p> <p>454:15 policies and procedures, according to Cardinal's</p> <p>454:16 policies and procedures, if we exceed those limits</p> <p>454:17 on a single order, we need to try to notify the</p> <p>454:18 DEA before it's shipped, correct?</p>	SR05.54
454:20 - 454:23	<p><b>Reardon, Steve 11-30-2018 (00:00:03)</b></p> <p>454:20 A. Correct.</p> <p>454:21 BY MR. FULLER:</p> <p>454:22 Q. We need to report it as a suspicious</p> <p>454:23 order, right?</p>	SR05.55
455:1 - 455:12	<p><b>Reardon, Steve 11-30-2018 (00:00:25)</b></p> <p>455:1 A. If warranted.</p> <p>455:2 BY MR. FULLER:</p> <p>455:3 Q. Well, again, let's look at the policy and</p> <p>455:4 procedure. Does the policy and procedure say "if</p> <p>455:5 warranted"? You show me in that -- that's Page</p> <p>455:6 147. Let's go back to that. Does it say in there</p> <p>455:7 "if warranted"?</p> <p>455:8 A. (Witness reviews document.)</p> <p>455:9 It does not.</p> <p>455:10 Q. Okay. So we should reporting it, correct,</p> <p>455:11 as a suspicious order if they exceed these</p> <p>455:12 limits?</p>	SR05.56

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455:14 - 456:20	<b>Reardon, Steve 11-30-2018 (00:01:13)</b> 455:14 BY MR. FULLER: 455:15 Q. Right? 455:16 A. Based on what's written. 455:17 Q. And we should also be sticking a copy of 455:18 the suspicious order report, as well as the 455:19 communication form with the DEA, in our suspicious 455:20 order file that's maintained at the distribution 455:21 center, correct? 455:22 A. That's what the policy requires. 455:23 Q. And that's the policy you were trying to 455:24 enforce at Cardinal, right? 456:1 A. Correct. 456:2 Q. When you were over and you saw all those 456:3 distribution centers that you oversaw across the 456:4 entire country -- and let's be clear. This is a 456:5 systemic approach, right? And by that, I mean 456:6 you're applying the same systems to the entire 456:7 country from Washington state all the way down to 456:8 Florida, correct? 456:9 A. It was the same system. 456:10 Q. And you expected it to be implemented the 456:11 same way in all your distribution centers; is that 456:12 fair? 456:13 A. That's fair. 456:14 Q. And you were trying to ensure that 456:15 everybody was trained on the system and that it 456:16 was being operated in the same form or fashion, 456:17 whether it was in Lakeland, Florida, Wheeling, 456:18 West Virginia, or -- I think it's Valencia, 456:19 California, right? 456:20 A. Correct.	SR05.57
457:8 - 457:13	<b>Reardon, Steve 11-30-2018 (00:00:11)</b> 457:8 Q. All right. Mr. Reardon -- oh, yes, I 457:9 know. I turned those a certain way. 457:10 A. I got it. 457:11 Q. I think that's Page 33 or 34? 457:12 A. Yes, 33. 457:13 Q. And if you look halfway down that page --	SR05.58
457:14 - 457:15	<b>Reardon, Steve 11-30-2018 (00:00:09)</b>	SR05.59

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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457:14	so this is 3756.	
457:15	If you go to Page 33. So I believe this	
457:16 - 458:3	<b>Reardon, Steve 11-30-2018 (00:00:30)</b>	SR05.60
457:16	is actually a control section, is that right, for	
457:17	ARCOS report and ingredient limit report?	
457:18	Do you see that?	
457:19	A. Yes.	
457:20	Q. What's the factor when dealing with	
457:21	controls used in the ingredient limit report from	
457:22	2007 July?	
457:23	A. Looks like it's for hospitals and managed	
457:24	care and the factor is four. The report breaks it	
458:1	out by --	
458:2	Q. It does, but the retail section is just	
458:3	the same?	
458:5 - 458:7	<b>Reardon, Steve 11-30-2018 (00:00:12)</b>	SR05.151
458:5	MR. FULLER: All right. So for the	
458:6	record, I'm going to also enter 3827 as Exhibit	
458:7	34. And 3828 as Exhibit 35.	
458:16 - 459:12	<b>Reardon, Steve 11-30-2018 (00:00:46)</b>	SR05.152
458:16	Q. And Exhibit 34, if you look at that,	
458:17	Mr. Reardon, is October of 2007, the ingredient	
458:18	limit report; is that right?	
458:19	A. Yes.	
458:20	Q. And Exhibit 35 is December of 2007; is	
458:21	that correct?	
458:22	A. Yes.	
458:23	Q. And these are both, again, documents that	
458:24	Cardinal keeps in the normal course of business.	
459:1	Is that your understanding?	
459:2	A. Yes.	
459:3	Q. And these are documents that you and your	
459:4	staff relied on to do your due diligence or your	
459:5	regulatory function at Cardinal Health?	
459:6	A. Correct.	
459:7	Q. Is this the type of documents or the	
459:8	actual documents or the form of documents that	
459:9	would have been reviewed by Eric Brantley and his	
459:10	team and also submitted to the DEA during this	
459:11	time frame?	

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459:12	A. Correct.	
464:4 - 464:20	<b>Reardon, Steve 11-30-2018 (00:00:46)</b>	SR05.63
464:4	Q. And during the time that you were	
464:5	overseeing the whole regulatory division -- I	
464:6	think you testified repeatedly to Mr. Papantonio	
464:7	about the number of employees -- you tried to push	
464:8	for more employees, didn't you?	
464:9	You tried to push for more financial	
464:10	support, more budgetary support, because you felt	
464:11	what you were given was not enough to get the job	
464:12	done right, didn't you?	
464:13	A. It's needing additional resources based on	
464:14	the direction we wanted to go in, and I requested	
464:15	additional head count.	
464:16	Q. Well, the direction we wanted to go in is	
464:17	to do a good job monitoring for suspicious orders	
464:18	and preventing any potential diversion. That's	
464:19	the direction you wanted to go in, right?	
464:20	A. Correct.	
464:21 - 464:23	<b>Reardon, Steve 11-30-2018 (00:00:05)</b>	SR05.64
464:21	Q. When you asked for additional resources to	
464:22	go that direction, you weren't given everything	
464:23	you were asked for, were you?	
465:1 - 465:2	<b>Reardon, Steve 11-30-2018 (00:00:08)</b>	SR05.65
465:1	A. I believe I requested for two head count	
465:2	and ultimately got two head count.	
465:3 - 465:11	<b>Reardon, Steve 11-30-2018 (00:00:19)</b>	SR05.66
465:3	BY MR. FULLER:	
465:4	Q. So you took your three people to five	
465:5	people, right?	
465:6	A. Right.	
465:7	Q. So you're monitoring the entire country	
465:8	for suspicious orders with five people --	
465:9	A. No.	
465:10	Q. -- an upgrade from three people,	
465:11	correct?	
465:13 - 465:18	<b>Reardon, Steve 11-30-2018 (00:00:06)</b>	SR05.67
465:13	A. Additionally, there were people in the	
465:14	distribution centers that had -- operations had	
465:15	responsibility.	



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465:16 BY MR. FULLER: 465:17 Q. Right. There were some people in the 465:18 distribution center --	<b>Reardon, Steve 11-30-2018 (00:00:14)</b>	SR05.68
465:21 BY MR. FULLER: 465:22 Q. Go ahead, if you're not done. 465:23 A. That had responsibility for reviewing 465:24 ingredient limit reports and then working in the 466:1 cage and the vault. 466:2 Q. And the jury's already heard about some of 466:3 those. They weren't full-time -- they didn't get 466:4 full-time people there until Mr. Hartman came 466:5 along, correct?	<b>Reardon, Steve 11-30-2018 (00:00:08)</b>	SR05.69
466:8 Q. And when Mr. Hartman came along, he 466:9 actually revamped the whole system and got -- and 466:10 more than doubled the employees you had, didn't 466:11 he?	<b>Reardon, Steve 11-30-2018 (00:00:12)</b>	SR05.70
466:13 A. What occurred was, people in the 466:14 distribution centers that were tasked with 466:15 compliance responsibilities moved over and changed 466:16 in the reporting structure, reporting up through 466:17 my organization.	<b>Reardon, Steve 11-30-2018 (00:00:10)</b>	SR05.71
466:18 BY MR. FULLER: 466:19 Q. And he got full-time personnel at each of 466:20 the distribution centers, something you didn't 466:21 have the benefit of, right? 466:22 A. I did not.	<b>Reardon, Steve 11-30-2018 (00:00:16)</b>	SR05.72
469:20 Q. You had three people sitting in corporate 469:21 headquarters looking at this document. And that's 469:22 just from one distribution center, right? 469:23 A. Correct. 469:24 Q. This was done for all 20-some-odd 470:1 distribution centers, so this times 27. Nobody 470:2 can investigate all those with three people. We 470:3 can agree on that, can't we --	<b>Reardon, Steve 11-30-2018 (00:00:17)</b>	SR05.73

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	470:5 BY MR. FULLER:	
	470:6 Q. -- at least not investigate them the way	
	470:7 they should be investigated, correct?	
	470:8 A. I guess.	
	470:9 Q. Don't guess. You used to be a law	
	470:10 enforcement officer. I used to be a prosecute	
	470:11 other.	
	470:12 You and I both know there's no way to do a	
	470:13 proper investigation of all these with three	
	470:14 people, correct?	
470:16 - 470:19	<b>Reardon, Steve 11-30-2018 (00:00:05)</b>	SR05.74
	470:16 A. I agree.	
	470:17 BY MR. FULLER:	
	470:18 Q. At least not to the standard you want to	
	470:19 do it, correct?	
470:21 - 470:21	<b>Reardon, Steve 11-30-2018 (00:00:01)</b>	SR05.75
	470:21 A. Correct.	
473:10 - 473:10	<b>Reardon, Steve 11-30-2018 (00:00:02)</b>	SR05.153
	473:10 Q. Let's do the pill comparison, please. So	
473:11 - 473:15	<b>Reardon, Steve 11-30-2018 (00:00:15)</b>	SR05.77
	473:11 during the time frame that you were there, part of	
	473:12 your job was to look for -- we talked about	
	473:13 suspicious orders and to look for patterns,	
	473:14 right?	
	473:15 A. Correct.	
473:16 - 473:17	<b>Reardon, Steve 11-30-2018 (00:00:04)</b>	SR05.154
	473:16 Q. Did you -- well, you testified earlier you	
	473:17 didn't look at any pill counts, correct?	
473:19 - 474:21	<b>Reardon, Steve 11-30-2018 (00:00:56)</b>	SR05.78
	473:19 A. I did not personally.	
	473:20 BY MR. FULLER:	
	473:21 Q. Well, let's start. So Ohio is -- I mean,	
	473:22 you know where Ohio is. You were based in	
	473:23 Columbus or the Columbus area, correct?	
	473:24 A. Correct.	
	474:1 Q. Illinois is two states over. Are you	
	474:2 aware that the states are similarly situated? I	
	474:3 mean, Illinois has about a million more people	
	474:4 than Ohio. Are you aware of that?	
	474:5 A. No.	

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474:6 Q. Both considered midwest states. Can we  
474:7 agree on that?

474:8 A. Yes.

474:9 Q. And it's a neighboring state. It's got  
474:10 some unimportant state in between the two of them,  
474:11 right?

474:12 A. Yes.

474:13 Q. Kidding. They're geographically similar.  
474:14 They're similar in size and, based on my  
474:15 representations, about the same population, right?

474:16 A. Yes.

474:17 Q. And if we're looking at pills distribution  
474:18 across the entire country, we can say safely  
474:19 there's probably not -- or shouldn't be a  
474:20 significant difference between Ohio and Illinois,  
474:21 fair enough?

474:24 - 475:4

**Reardon, Steve 11-30-2018 (00:00:07)**

SR05.79

474:24 A. I wouldn't know enough about it to --  
475:1 BY MR. FULLER:

475:2 Q. If we saw a significant difference, it  
475:3 might be something we would want to look into,  
475:4 correct?

475:6 - 475:14

**Reardon, Steve 11-30-2018 (00:00:20)**

SR05.80

475:6 A. May raise a question to say why.

475:7 BY MR. FULLER:

475:8 Q. Let me ask. You're a cop, worked the  
475:9 street, right, here in Boston, correct?

475:10 A. Outside of Boston.

475:11 Q. Outside of Boston. If you were driving  
475:12 doing your patrol and you see something suspicious  
475:13 going on, you're going to take initiative and  
475:14 investigate it, aren't you?

475:16 - 476:21

**Reardon, Steve 11-30-2018 (00:01:15)**

SR05.81

475:16 A. Yes.

475:17 BY MR. FULLER:

475:18 Q. May not be that there is anything with it.  
475:19 There may not be any laws being broken, but until  
475:20 you do your investigation you're not going to know  
475:21 that, are you?

475:22 A. Correct.

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475:23 Q. I mean, I don't want to insult you, but  
 475:24 let's go back. I prosecuted a ton of DUIs. You  
 476:1 may see somebody weaving on the road. Well,  
 476:2 doesn't mean they're drunk, does it?  
 476:3 A. Not necessarily.  
 476:4 Q. But it's an indicator, hey, there may be  
 476:5 something going on. It could be a health concern.  
 476:6 It could be that they're texting and driving at  
 476:7 least now probably, not when you were a cop not,  
 476:8 when I was a prosecutor. But that's the type of  
 476:9 thing you would want to investigate to see what  
 476:10 the issue is, correct?  
 476:11 A. Correct.  
 476:12 Q. So let's look at the comparison between  
 476:13 Illinois and Ohio. Let's go for 2006. 4.9  
 476:14 million -- and this is just oxycodone, okay? You  
 476:15 understand?  
 476:16 A. Yes.  
 476:17 Q. Okay. 4.9 million dosage units, pills,  
 476:18 into Illinois. 67 million pills into Ohio in the  
 476:19 same year. This is just Cardinal alone. That  
 476:20 causes you some concern, doesn't it,  
 476:21 Mr. Reardon?

476:23 - 477:19

**Reardon, Steve 11-30-2018 (00:00:39)**

SR05.82

476:23 A. It would --  
 476:24 BY MR. FULLER  
 477:1 Q. Now --  
 477:2 A. -- warrant a further look.  
 477:3 Q. Exactly. We're not saying that there's  
 477:4 anything nefarious going on yet, but we're not  
 477:5 going to know unless we investigate, are we?  
 477:6 A. Correct.  
 477:7 Q. And we both know Cardinal had this  
 477:8 information. This is your sales data. And I say  
 477:9 yours. I mean the royal you and Cardinal,  
 477:10 correct?  
 477:11 A. Correct.  
 477:12 Q. Somebody could have had this information  
 477:13 pulled, right?  
 477:14 A. (Witness nodding.)

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

Page/Line	Source	ID
477:15 - 478:10	<p>477:15 Q. In 2006, you've already told us -- Mr.  477:16 Hartman has already testified, as well as others,  477:17 that we are in the middle of an opioid crisis, we  477:18 should be doing comparisons like this. Would you  477:19 agree with that?</p> <p><b>Reardon, Steve 11-30-2018 (00:00:39)</b></p> <p>477:21 A. It would make sense.  477:22 BY MR. FULLER:  477:23 Q. So let's go to 2007. 5.9 million in  477:24 Illinois. 72 million in Ohio. Again, huge  478:1 disparity.  478:2 MR. FULLER: Let's keep going, Gina.  478:3 BY MR. FULLER:  478:4 Q. 2008, 2009, 2010, 2011, 2012. Let's stop  478:5 there for a second.  478:6 2012, 10 million pills into Illinois, 100  478:7 million pills into the state of Ohio with a  478:8 million less people. This pattern causes you  478:9 concern, sitting here today, doesn't it,  478:10 Mr. Reardon?</p>	SR05.83
478:12 - 478:12	<p><b>Reardon, Steve 11-30-2018 (00:00:03)</b></p> <p>478:12 A. It raises the question of why.</p>	SR05.84
479:15 - 479:18	<p><b>Reardon, Steve 11-30-2018 (00:00:09)</b></p> <p>479:15 Q. I mean, you would agree with me, would you  479:16 not, that it shouldn't take a lawsuit against  479:17 Cardinal before it would look into something like  479:18 this going on in its company, correct?</p>	SR05.85
479:20 - 481:3	<p><b>Reardon, Steve 11-30-2018 (00:01:26)</b></p> <p>479:20 A. Correct.  479:21 BY MR. FULLER:  479:22 Q. So there we have it, 798 million dosage  479:23 units for that time frame into a population of  479:24 11.7 million for Ohio. Only 76 million with a  480:1 million more people, 12.8, correct?  480:2 A. Correct.  480:3 Q. I mean, sitting here today, you didn't  480:4 know this before today, right?  480:5 A. No.  480:6 Q. No one shared this with you? No one  480:7 pulled the numbers for you even back when you were</p>	SR05.86

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480:8 there at Cardinal, correct?

480:9 A. Correct.

480:10 Q. I mean, do you find that shocking, that

480:11 disparity? I mean, it's ten times the amount of

480:12 pills.

480:13 A. I -- I still think you need to dig deeper,

480:14 customers.

480:15 Q. Now, we also know -- and the jury will

480:16 have heard by now -- that back in 2003 the GOA,

480:17 Government Office of Accounting, did a report,

480:18 OxyContin and its abuse and -- abuse and addiction

480:19 or something like that and they found that opioid

480:20 epidemic was hitting certain states more than

480:21 others. That would also be something that

480:22 Cardinal would want to be aware of. Can we agree

480:23 with that?

480:24 A. I think so.

481:1 Q. I mean, let's go back to our -- again, our

481:2 investigative days. You want to gather all the

481:3 information you can, correct --

481:5 - 482:2

**Reardon, Steve 11-30-2018 (00:00:52)**

SR05.87

481:5 A. Correct.

481:6 BY MR. FULLER:

481:7 Q. -- particularly when you're one that has

481:8 been entitled, been privileged with the ability to

481:9 operate in this closed system. Cardinal -- no one

481:10 forced this licensing, this registrant status, on

481:11 Cardinal, did they?

481:12 A. No.

481:13 Q. Cardinal went out and wanted to get into

481:14 this business so they could distribute and make

481:15 money, correct?

481:16 A. Correct.

481:17 Q. But they took on an obligation when they

481:18 did that. We've looked at that. Based on

481:19 Rannazzisi's letters, they took on obligations to

481:20 ensure to do the best job they could to keep our

481:21 community safe, right?

481:22 A. Correct.

481:23 Q. And doing an analysis of this kind of

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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481:24 data, this disparity between Illinois and Ohio, is 482:1 part of what follows within that obligation, 482:2 doesn't it?		
482:4 - 482:11	<b>Reardon, Steve 11-30-2018 (00:00:11)</b> 482:4 A. It would warrant a look to see why the 482:5 disparity -- the digger. 482:6 BY MR. FULLER: 482:7 Q. Like you said -- 482:8 A. Deeper down. 482:9 Q. -- deeper dig down. Sitting here today, 482:10 you don't know of anybody at Cardinal that 482:11 bothered to do that you, do?	SR05.88
482:13 - 482:13	<b>Reardon, Steve 11-30-2018 (00:00:01)</b> 482:13 A. I have no knowledge.	SR05.89
484:2 - 484:9	<b>Reardon, Steve 11-30-2018 (00:00:21)</b> 484:2 BY MR. FULLER: 484:3 Q. Let me ask you. Back on the street doing 484:4 our investigations, are we going to wait to get to 484:5 that extreme before we start our investigation? 484:6 Or as soon as we see this disparity, we're going 484:7 to start investigation right away? 484:8 A. I would think you would at least want to 484:9 look in and do a deeper dive and understand why.	SR05.90
484:18 - 484:22	<b>Reardon, Steve 11-30-2018 (00:00:11)</b> 484:18 Q. Right away, correct? We're not going to 484:19 wait four, five, six years down the road, are we, 484:20 not if we're doing what the law requires us to do, 484:21 correct, Mr. Reardon? 484:22 A. It would make sense.	SR05.91
485:1 - 485:17	<b>Reardon, Steve 11-30-2018 (00:00:34)</b> 485:1 Q. Let's go to West Virginia. Now, West 485:2 Virginia is another state over from Ohio, right, 485:3 going east? You're aware of West Virginia is -- 485:4 A. Correct. 485:5 Q. -- a much smaller state though, right? 485:6 A. I... 485:7 Q. I'll tell you. You'll see. 1.8 million 485:8 people compared to the 12.8 of Illinois. You 485:9 would expect to see more pills going into Illinois 485:10 than West Virginia, all things being equal,	SR05.92

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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	485:11 correct?	
	485:12 A. Possibly.	
	485:13 Q. I mean, seven times smaller?	
	485:14 A. Again, depends.	
	485:15 Q. It depends on whether we're dumping pills	
	485:16 into a state or we're complying with our	
	485:17 regulatory requirements, right?	
485:19 - 486:7	<b>Reardon, Steve 11-30-2018 (00:00:45)</b>	SR05.93
	485:19 A. It depends on the number of pharmacies,	
	485:20 customer type.	
	485:21 BY MR. FULLER:	
	485:22 Q. Let's look at it. 2006, 4.9 million pills	
	485:23 into Illinois again. Same number, 10.5 million	
	485:24 into West Virginia.	
	486:1 2007, let's keep going, 2008, 2009, 2010,	
	486:2 '11, '12, all the way to '14. Let's do the total.	
	486:3 Population of 12.8 in Illinois, only 1.8	
	486:4 in West Virginia, 7 times the difference and yet	
	486:5 you've got almost double the pills. Someone at	
	486:6 Cardinal should have picked up on this as well,	
	486:7 correct?	
486:10 - 486:17	<b>Reardon, Steve 11-30-2018 (00:00:18)</b>	SR05.94
	486:10 Q. Right?	
	486:11 A. If they had the info.	
	486:12 Q. This is Cardinal's numbers. Cardinal had	
	486:13 the info, right? I mean, come on. Cardinal's	
	486:14 making these sales. You know that Cardinal tracks	
	486:15 where its making sales. You know they do track	
	486:16 where they're making sales, don't you?	
	486:17 A. They would.	
489:8 - 489:11	<b>Reardon, Steve 11-30-2018 (00:00:07)</b>	SR05.95
	489:8 Q. Can we agree that between what	
	489:9 Mr. Papantonio and myself have shown you today,	
	489:10 there was a lot going on that you didn't know	
	489:11 about?	
489:14 - 489:16	<b>Reardon, Steve 11-30-2018 (00:00:10)</b>	SR05.96
	489:14 Q. That there is additional diligence that	
	489:15 you would have done had somebody brought some of	
	489:16 these facts to your attention, correct?	
489:19 - 489:23	<b>Reardon, Steve 11-30-2018 (00:00:05)</b>	SR05.97



## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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	489:19 A. I would look into it.	
	489:20 BY MR. FULLER:	
	489:21 Q. You would have done an investigation,	
	489:22 right? That's what looking into it is, isn't	
	489:23 it?	
490:1 - 490:7	<b>Reardon, Steve 11-30-2018 (00:00:16)</b>	SR05.98
	490:1 A. Correct.	
	490:2 BY MR. FULLER:	
	490:3 Q. You want to look and see why is this	
	490:4 happening. And here's the shocking thing. The	
	490:5 people within Cardinal -- there are people within	
	490:6 Cardinal that had this information. You can't	
	490:7 deny that, can you?	
490:9 - 490:13	<b>Reardon, Steve 11-30-2018 (00:00:05)</b>	SR05.99
	490:9 A. I can't deny it. I just don't know for	
	490:10 sure, but --	
	490:11 BY MR. FULLER:	
	490:12 Q. It's their sales data?	
	490:13 A. I would assume that's sales data, yeah.	
490:20 - 490:21	<b>Reardon, Steve 11-30-2018 (00:00:01)</b>	SR05.100
	490:20 Q. And no one ever brought this to your	
	490:21 attention?	
490:23 - 490:23	<b>Reardon, Steve 11-30-2018 (00:00:01)</b>	SR05.101
	490:23 A. Not that, no.	
491:1 - 491:5	<b>Reardon, Steve 11-30-2018 (00:00:18)</b>	SR05.102
	491:1 Q. Did they ever bring any other problems	
	491:2 with diversion to your attention?	
	491:3 A. Yeah, there were times we would get calls	
	491:4 from distribution centers or something Eric would	
	491:5 raise.	
491:9 - 492:1	<b>Reardon, Steve 11-30-2018 (00:00:45)</b>	SR05.103
	491:9 Q. So do Choice Pharmacy. We looked at that	
	491:10 a little while. Do you remember that? It's one	
	491:11 of the pharmacies in the Cuyahoga, Summit County	
	491:12 area?	
	491:13 A. Right.	
	491:14 MR. PYSER: Is this an exhibit or	
	491:15 just a demonstrative --	
	491:16 MR. FULLER: This is demonstrative.	
	491:17 BY MR. FULLER:	

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491:18 Q. And what I did is I pulled out of the  
 491:19 ingredient limit report items that exceeded your  
 491:20 limiter numbers. And if you see the amount  
 491:21 ordered versus the amount in excess, so for  
 491:22 example, on July 2 of 2007, for -- New Choice they  
 491:23 ordered oxycodone, APAP, 6,000 pills, right?  
 491:24 Well, we know the limit is 1,200 from what  
 492:1 we saw earlier, correct?

492:3 - 492:18

**Reardon, Steve 11-30-2018 (00:00:31)**

SR05.104

492:3 A. Are you talking about the dosage limit  
 492:4 charts?

492:5 BY MR. FULLER:

492:6 Q. Yes, sir.

492:7 A. So that's -- that's those dosage limit  
 492:8 charts are just to assist in the cage vault  
 492:9 process and the order filling process --

492:10 Q. Right.

492:11 A. -- to cause an order filler to look  
 492:12 further at the order.

492:13 Q. Well, order filler -- you're talking about  
 492:14 pickers, right?

492:15 A. Pickers.

492:16 Q. How does is picker -- a picker is not  
 492:17 going to do due diligence on the facility or the  
 492:18 pharmacy, correct?

492:20 - 493:10

**Reardon, Steve 11-30-2018 (00:00:41)**

SR05.105

492:20 A. No, but they have the ability based on  
 492:21 experience with the customer and -- ability to  
 492:22 look at customer purchase patterns through their  
 492:23 access to the ordering system.

492:24 BY MR. FULLER:

493:1 Q. But these are limited numbers that,  
 493:2 according to the policy and procedure, were there  
 493:3 to help the pickers for excessive orders, correct?

493:4 I mean, that's the title of the document, is  
 493:5 Excessive Orders for Schedule II, isn't it?

493:6 A. To help them flag orders that they may  
 493:7 possibly have to look at.

493:8 Q. And any that were excessive -- and again,  
 493:9 the name of the document is Excessive Orders for

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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493:12 - 493:16	<p>493:10 Schedule II, right?</p> <p><b>Reardon, Steve 11-30-2018 (00:00:07)</b></p> <p>493:12 A. Right.</p> <p>493:13 BY MR. FULLER:</p> <p>493:14 Q. And so if they set off a trigger, we need</p> <p>493:15 to see some sort of documentation related to that,</p> <p>493:16 correct?</p>	SR05.106
493:18 - 494:5	<p><b>Reardon, Steve 11-30-2018 (00:00:24)</b></p> <p>493:18 A. Correct.</p> <p>493:19 BY MR. FULLER:</p> <p>493:20 Q. Okay. So we should see, in the due</p> <p>493:21 diligence file for New Choice Pharmacy, when it</p> <p>493:22 orders 6,000 pills and the limiter is at 1,200,</p> <p>493:23 it's an extra 4,800 pills, if I'm doing my math</p> <p>493:24 correctly, right?</p> <p>494:1 A. Right.</p> <p>494:2 Q. And we should see something in the due</p> <p>494:3 diligence file related to that order either</p> <p>494:4 justifying it or we should see the report to the</p> <p>494:5 DEA, correct?</p>	SR05.107
494:8 - 494:15	<p><b>Reardon, Steve 11-30-2018 (00:00:20)</b></p> <p>494:8 A. I would expect that that would be the</p> <p>494:9 practice.</p> <p>494:10 BY MR. FULLER:</p> <p>494:11 Q. And on July 3, when they ordered the same</p> <p>494:12 thing, another 4,000 pills, we should see the same</p> <p>494:13 thing in the due diligence file or a suspicious</p> <p>494:14 order report in the distribution center suspicious</p> <p>494:15 order report folder, correct?</p>	SR05.108
494:17 - 494:18	<p><b>Reardon, Steve 11-30-2018 (00:00:02)</b></p> <p>494:17 A. I would expect that that would be the</p> <p>494:18 practice.</p>	SR05.109
496:19 - 496:24	<p><b>Reardon, Steve 11-30-2018 (00:00:15)</b></p> <p>496:19 Q. And that was the same practice. Whether</p> <p>496:20 it was out at the Wheeling center, the Lakeland</p> <p>496:21 center, the Valencia center, wherever else they</p> <p>496:22 had distribution centers, that was the same</p> <p>496:23 practice everywhere, right, correct?</p> <p>496:24 A. Correct.</p>	SR05.110
497:10 - 497:13	<p><b>Reardon, Steve 11-30-2018 (00:00:05)</b></p>	SR05.111

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497:10 MR. PYSER: Good afternoon,  
 497:11 Mr. Reardon. My name's Steven Pyser. I represent  
 497:12 Cardinal. I have a few questions for you here  
 497:13 today.

498:2 - 499:8

**Reardon, Steve 11-30-2018 (00:01:14)**

SR05.112

498:2 Q. Mr. Reardon, can you please introduce  
 498:3 yourself to the jury?  
 498:4 A. Steve Reardon.  
 498:5 Q. Where are you from originally,  
 498:6 Mr. Reardon?  
 498:7 A. Originally from Massachusetts.  
 498:8 Q. Come a time when you started work at  
 498:9 Cardinal Health?  
 498:10 A. Yes.  
 498:11 Q. When was that?  
 498:12 A. June of 1988.  
 498:13 Q. How long were you with Cardinal Health?  
 498:14 A. Ant about 28 years.  
 498:15 Q. So 1988 through roughly 2016?  
 498:16 A. March of 2016.  
 498:17 Q. Are you retired now?  
 498:18 A. I am retired.  
 498:19 Q. Prior to joining Cardinal Health, what did  
 498:20 you do?  
 498:21 A. I was in law enforcement.  
 498:22 Q. From your perspective, having been  
 498:23 employed at Cardinal Health for roughly 28 years,  
 498:24 can you describe what Cardinal Health's role is in  
 499:1 the healthcare distribution system?  
 499:2 A. Yes. Cardinal purchases prescription drug  
 499:3 products from duly-licensed manufacturers and  
 499:4 distributes those prescription drug products to  
 499:5 duly-licensed hospitals, hospital pharmacies,  
 499:6 independent retail pharmacies, chain pharmacies,  
 499:7 long-term care facilities, managed care, VA at one  
 499:8 time.

499:15 - 500:23

**Reardon, Steve 11-30-2018 (00:01:18)**

SR05.113

499:15 Q. What types of products does Cardinal  
 499:16 Health ship?  
 499:17 A. Prescription drug products,

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499:18 over-the-counter products, hospital supply

499:19 products, OTC products.

499:20 Q. Does Cardinal Health ever interact

499:21 directly with patients?

499:22 A. No.

499:23 Q. How about doctors?

499:24 A. No.

500:1 Q. What was your first job at Cardinal?

500:2 A. First job at Cardinal when I got hired in

500:3 June of '88 was as a security and compliance

500:4 manager at the Peabody distribution center.

500:5 Q. And did there come a point in time when

500:6 you left Peabody and had a job that focused on

500:7 anti-diversion across a larger part of Cardinal

500:8 Health?

500:9 A. Yes.

500:10 Q. When was that?

500:11 A. I moved to corporate in Dublin in December

500:12 of '94.

500:13 Q. And from that time until roughly 2007, was

500:14 your work in anti-diversion?

500:15 A. Anti-diversion in addition to overall

500:16 regulatory compliance.

500:17 Q. In addition to the people who were your

500:18 direct reports, working for you when you were

500:19 working in anti-diversion, were there other

500:20 Cardinal Health employees who also worked

500:21 anti-diversion on issues?

500:22 A. Yes. People in the distribution centers

500:23 had responsibilities around anti-diversion.

501:20 - 502:6

**Reardon, Steve 11-30-2018 (00:00:22)**

SR05.114

501:20 Q. You were asked a lot of questions earlier

501:21 today about issues related to anti-diversion after

501:22 2007. Had you transitioned to a role within the

501:23 company outside of the anti-diversion work after

501:24 2007?

502:1 A. Yes.

502:2 Q. Were there other people charged by

502:3 Cardinal Health with ensuring Cardinal Health met

502:4 its regulatory obligations with regard to

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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503:18 - 503:22	<p>502:5 anti-diversion after 2007?</p> <p>502:6 A. Yes.</p> <p><b>Reardon, Steve 11-30-2018 (00:00:07)</b></p> <p>503:18 Q. During the time that you were in charge of</p> <p>503:19 anti-diversion efforts at Cardinal Health, did you</p> <p>503:20 have the resources necessary to perform your</p> <p>503:21 work?</p> <p>503:22 A. Yes.</p>	SR05.115
503:23 - 504:16	<p><b>Reardon, Steve 11-30-2018 (00:00:51)</b></p> <p>503:23 Q. Showing you the DEA compliance manual that</p> <p>503:24 was marked earlier today as Exhibit 32, do you</p> <p>504:1 recall that document?</p> <p>504:2 A. Yes.</p> <p>504:3 Q. And what is it?</p> <p>504:4 A. It was the manual in place outlining our</p> <p>504:5 policy and processes related to DEA.</p> <p>504:6 Q. Was it in effect during the time you were</p> <p>504:7 working in anti-diversion?</p> <p>504:8 A. Yes.</p> <p>504:9 Q. Does it discuss suspicious order</p> <p>504:10 monitoring and suspicious order reporting?</p> <p>504:11 A. Yes.</p> <p>504:12 Q. I'd like to direct your attention to the</p> <p>504:13 page -- it has Bates page, so I'm going to use the</p> <p>504:14 bottom right pages.</p> <p>504:15 A. Okay.</p> <p>504:16 Q. It ends with 937, Page 7-1. Does it begin</p>	SR05.155
504:17 - 507:3	<p><b>Reardon, Steve 11-30-2018 (00:02:50)</b></p> <p>504:17 by discussing ARCOS reports?</p> <p>504:18 A. Yes.</p> <p>504:19 Q. What are ARCOS reports?</p> <p>504:20 A. So registrants are required -- at least</p> <p>504:21 distributors and manufacturers are required to</p> <p>504:22 report ARCOS to the DEA ARCOS unit. We reported</p> <p>504:23 it on a monthly basis.</p> <p>504:24 It's all transactions of Schedule II</p> <p>505:1 controlled substances and some ARCOS reportables</p> <p>505:2 that are in Schedule III.</p> <p>505:3 So there's daily reporting, and then you</p> <p>505:4 have to submit an annual inventory of all your</p>	SR05.156

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505:5 controlled substances. And then if there's a  
505:6 newly -- a new ARCOS reportable controlled  
505:7 substances, you have to report initial inventory.  
505:8 Q. So beyond ARCOS reports, there was also  
505:9 some discussion of other reporting that was done  
505:10 for suspicious orders. Do you recall that?  
505:11 A. Yes.  
505:12 Q. The beginning of Cardinal Health's manual  
505:13 where it references 21 CFR 130.74 (b), it states,  
505:14 "Wholesalers are responsible for designing and  
505:15 operating a system that will disclose to the  
505:16 wholesalers suspicious orders."  
505:17 Do you see that?  
505:18 A. Yes.  
505:19 Q. Did Cardinal Health have such a system?  
505:20 A. Yes.  
505:21 Q. In fact, this document, it is dated in the  
505:22 bottom left April 5, 2000, right?  
505:23 A. Correct.  
505:24 Q. Were there similar manuals before that  
506:1 date?  
506:2 A. Yes. That's a revision date.  
506:3 Q. Were there similar manuals after that  
506:4 date?  
506:5 A. Yes.  
506:6 Q. And next states that "The wholesaler  
506:7 informs the DEA field office in that area of all  
506:8 suspicious orders."  
506:9 Is that something that Cardinal Health  
506:10 did?  
506:11 A. Yes.  
506:12 Q. On the next page, Page 7-4, there's a  
506:13 discussion of how Cardinal Health complies with  
506:14 1301.74 (b).  
506:15 Do you see that?  
506:16 A. Yes.  
506:17 Q. And it's described as a two-step  
506:18 process?  
506:19 A. Yes.  
506:20 Q. Can you tell me what the two steps are?

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506:21 A. So step one is the submission of the  
506:22 ingredient limit report to the local DEA field  
506:23 office on a monthly basis.

506:24 Q. And if you turn with me to Exhibit M which  
507:1 is -- let's see. Using the page in the bottom --  
507:2 excuse me, in the top right, it's Page 263. This  
507:3 may be a little bit hard to read on the Elmo.

507:4 - 508:5

**Reardon, Steve 11-30-2018 (00:01:21)**

SR05.157

507:4 A. Got it.

507:5 Q. Can you tell me what each ingredient limit  
507:6 report for each customers tells the DEA when you  
507:7 submit it?

507:8 A. So each report will show customer name,  
507:9 DEA number, and then it will go through each  
507:10 family of a controlled substance that's identified  
507:11 by a base code. All the families are lumped  
507:12 together.

507:13 It will show the quantity the customer  
507:14 ordered. It will show the item -- the active  
507:15 ingredient in grams, then total grams purchased,  
507:16 and then it will add all of that up for a given  
507:17 month and compare that to the ingredient limit  
507:18 within the report.

507:19 And if the customer exceeds that  
507:20 ingredient limit, they'll show up on the report.

507:21 Q. Where did the parameters that were used  
507:22 for the ingredient limit report -- where did those  
507:23 come from?

507:24 A. They were developed between the trade  
508:1 association and WDA at the time and the DEA.

508:2 Q. During your time running anti-diversion  
508:3 programs at Cardinal Health, did you believe DEA  
508:4 was aware of Cardinal Health's process to monitor  
508:5 and report suspicious orders?

508:7 - 508:7

**Reardon, Steve 11-30-2018 (00:00:01)**

SR05.116

508:7 A. Yes.

508:8 - 508:12

**Reardon, Steve 11-30-2018 (00:00:09)**

SR05.140

508:8 BY MR. PYSER:

508:9 Q. Did you ever come to an understanding of  
508:10 whether or not DEA was aware of Cardinal Health's



## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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508:14 - 508:20	<p>508:11 process for reporting suspicious orders including 508:12 ingredient limit reports?</p> <p><b>Reardon, Steve 11-30-2018 (00:00:11)</b></p> <p>508:14 A. Yes. The reports were submitted to them 508:15 on a monthly basis. And during cyclic 508:16 inspections, they were looked at as part of 508:17 inspection. 508:18 BY MR. PYSER: 508:19 Q. What did it mean to you to know that DEA 508:20 was aware of this information?</p>	SR05.117
508:22 - 509:8	<p><b>Reardon, Steve 11-30-2018 (00:00:23)</b></p> <p>508:22 A. It allowed me to believe that we were in 508:23 compliance with the requirements based on the 508:24 processes we had in place. 509:1 BY MR. PYSER: 509:2 Q. Where did you believe that DEA was aware 509:3 of these forms? 509:4 A. First of all, they approved the report and 509:5 we were submitting the report to them. And they 509:6 were expecting us on a regular basis and we never 509:7 had any observations or issues related to what we 509:8 were doing.</p>	SR05.118
509:9 - 509:23	<p><b>Reardon, Steve 11-30-2018 (00:00:34)</b></p> <p>509:9 Q. You were shown, earlier today, some 509:10 exhibits that referenced specific pharmacies 509:11 including Ohio CVS and Brook Park, Overholt's 509:12 pharmacy and a pharmacy call New Choice. Do you 509:13 recall -- 509:14 A. Yes. 509:15 Q. -- do you recall that exhibit? 509:16 A. Yes. 509:17 Q. And plaintiff's counsel showed you that 509:18 exhibit and it was based off ingredient limit 509:19 reports. Do you recall that? 509:20 A. Yes. 509:21 Q. Each of -- each piece of the information 509:22 that was in that exhibit, would that have also 509:23 been submitted to DEA?</p>	SR05.119
510:2 - 510:7	<p><b>Reardon, Steve 11-30-2018 (00:00:07)</b></p> <p>510:2 A. Yes.</p>	SR05.142

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510:3 BY MR. PYSER:

510:4 Q. Just to be clear about who's submitting it  
510:5 to the DEA, that is something Cardinal Health,  
510:6 your employer, would have submitted the DEA?  
510:7 A. Yes.

510:11 - 510:22

**Reardon, Steve 11-30-2018 (00:00:18)**

SR05.120

510:11 Q. To your knowledge, did DEA take action  
510:12 against any of those pharmacies?

510:13 A. Yes.

510:14 Q. Which ones?

510:15 A. Of the --

510:16 Q. I'm sorry.

510:17 A. Of the --

510:18 Q. To be clear, I'm talking about Ohio CVS,  
510:19 Brook Park, Overholt's pharmacy, or New Choice  
510:20 Pharmacy. Did DEA takes action against any of  
510:21 those three?

510:22 A. No.

511:8 - 512:24

**Reardon, Steve 11-30-2018 (00:01:50)**

SR05.121

511:8 Q. Did DEA conduct inspections of Cardinal  
511:9 Health distribution centers?

511:10 A. Yes.

511:11 Q. And when they did so, do you know whether  
511:12 or not they reviewed Cardinal Health's processes  
511:13 for suspicious order monitoring and reporting?

511:14 A. That would have been part of the process,  
511:15 part of the cyclic inspection.

511:16 Q. To your knowledge, from the late '80s when  
511:17 you joined Cardinal Health until you transitioned  
511:18 roles in 2007, did DEA ever state that the  
511:19 processes in place for Cardinal Health for  
511:20 monitoring and reporting suspicious orders were  
511:21 inadequate?

511:22 A. No.

511:23 Q. We also talked a little bit about a second  
511:24 way, during your testimony earlier today, that  
512:1 Cardinal Health complied with 21 CFR 1301.74(b).  
512:2 Can be describe that for me?

512:3 A. Yes. Employees who worked in the cage  
512:4 involved -- that filled orders were tasked with

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512:5 monitoring the auto process, and if there was  
512:6 anything that they identified based on their  
512:7 knowledge of customers, like customers, and  
512:8 they -- they had the obligation and the ability to  
512:9 pull that order and hold that order.  
512:10 Q. You were also asked about Exhibit P in the  
512:11 DEA compliance manual. You can just look at it on  
512:12 the screen.  
512:13 A. Yes.  
512:14 Q. Do you recall some questions on that?  
512:15 A. Yes.  
512:16 Q. Is every order above the limit in Exhibit  
512:17 P, the poster that's up in the cage and vault --  
512:18 is that necessarily a suspicious order?  
512:19 A. No.  
512:20 Q. In the event that someone working in the  
512:21 cage and vault saw an order above the posted limit  
512:22 but did not think it was of unusual size,  
512:23 frequency or pattern, what would Cardinal Health's  
512:24 policies have expected them to do?

513:3 - 514:22

**Reardon, Steve 11-30-2018 (00:02:10)**

SR05.141

513:3 A. They would process the order and allow it  
513:4 to be shipped.  
513:5 BY MR. PYSER:  
513:6 Q. Were there times when Cardinal Health  
513:7 sought guidance from DEA as to what to do next on  
513:8 an order that had been flagged as an order of  
513:9 interest?  
513:10 A. Yes.  
513:11 Q. How did that work?  
513:12 A. Local distribution center would contact  
513:13 the local DEA office.  
513:14 Q. Now, the process may be different today,  
513:15 but back, say, in 2007, how did the process work  
513:16 for filling orders of a controlled substances for  
513:17 say a hospital in the cage and vault?  
513:18 A. Well, depending on the product -- so if  
513:19 it's a Schedule II product, DEA form 222 comes in  
513:20 and that's reviewed by the order entry person to  
513:21 make sure that it's filled out completely and

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513:22 according to the regulations.  
 513:23 And if there are no alterations, it's  
 513:24 signed and dated. And if it looks okay per the  
 514:1 regulation, then the order is entered and  
 514:2 processed. The order picker will pick, compare  
 514:3 what they're picking to the 222, and then record  
 514:4 on Cardinal's copy what was -- the quantity  
 514:5 shipped and the date shipped, and then there's  
 514:6 also a green copy of that that goes into the DEA.  
 514:7 The customer kept a blue copy. And once  
 514:8 they received the product, they received the  
 514:9 quantity shipped and the date, and record the date  
 514:10 received.  
 514:11 Q. So all those steps are done for each form  
 514:12 222. That's the order form; is that right?  
 514:13 A. Correct.  
 514:14 Q. And were there procedures for the folks  
 514:15 working, say, in the vault where the Schedule II  
 514:16 medications are kept to describe order filling and  
 514:17 quality control?  
 514:18 A. Yes.  
 514:19 Q. I just showed you on the screen here,  
 514:20 Section 13-2. Are those the processes for order  
 514:21 filling and quality control?  
 514:22 A. Yes.

514:23 - 515:24

**Reardon, Steve 11-30-2018 (00:01:00)**

SR05.143

514:23 Q. Were you in periodic contact with DEA  
 514:24 throughout the time period you worked in  
 515:1 anti-diversion?  
 515:2 A. Yes.  
 515:3 Q. Did DEA ever ask you for different reports  
 515:4 than the ones you were providing?  
 515:5 A. No.  
 515:6 Q. Was part of your job to make sure that DEA  
 515:7 received reports consistent with the regulations  
 515:8 and guidance?  
 515:9 A. Yes.  
 515:10 Q. Do you believe you accomplished that  
 515:11 goal?  
 515:12 A. Yes.

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515:13 Q. Have you ever heard of DEA's Internet  
515:14 pharmacy initiative?

515:15 A. Yes.

515:16 Q. What is it?

515:17 A. The initiative, DEA had met with different  
515:18 distributors and explained to them that Internet  
515:19 pharmacies were becoming a growing problem and  
515:20 asked for wholesaler assistance in monitoring that  
515:21 activity.

515:22 They did a presentation for us, gave us a  
515:23 take-away binder, and identified certain items  
515:24 that an Internet pharmacy may purchase.

516:8 - 516:24

**Reardon, Steve 11-30-2018 (00:00:41)**

SR05.122

516:8 Did DEA inform you of any accreditations  
516:9 that were available for Internet pharmacies?  
516:10 A. Yes. There's is an accreditation through  
516:11 the National Association of Boards of Pharmacy.  
516:12 Q. And do some pharmacies have that  
516:13 accreditation?

516:14 A. Yes.

516:15 Q. You were asked by plaintiffs' counsel  
516:16 whether Cardinal Health shipped to Internet  
516:17 pharmacies. Did Cardinal Health ship to any  
516:18 pharmacy that wasn't licensed by the DEA?

516:19 A. No.

516:20 Q. If Cardinal Health learned that any  
516:21 Internet pharmacy that was a customer of it was  
516:22 dispensing improperly, did it cut that customer  
516:23 off and report it to DEA?

516:24 A. Yes.

517:1 - 520:2

**Reardon, Steve 11-30-2018 (00:02:39)**

SR05.123

517:1

517:2 (Exhibit No. 38 marked for  
517:3 identification.)

517:4

517:5 BY MR. PYSER:

517:6 Q. I'm showing you a document that's been  
517:7 marked as Exhibit 38. Do you recognize it?

517:8 A. Yes.

517:9 Q. Is it a true and accurate copy of the

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517:10 presentation given to you by DEA on August 22

517:11 2005?

517:12 A. (Witness reviews document.)

517:13 Yes.

517:14 Q. Is this some of the guidance that you

517:15 received from DEA?

517:16 A. Yes.

517:17 Q. What did you do in response to receipt of

517:18 this exhibit?

517:19 A. I went back to the office and immediately

517:20 started developing a process and program to

517:21 monitor Internet pharmacy activity.

517:22 Q. And in doing that, did you work with

517:23 someone named Eric Brantley?

517:24 A. Yes.

518:1 Q. And what were Mr. -- what was Mr.

518:2 Brantley's role?

518:3 A. Mr. Brantley's role was to review the

518:4 ingredient limit reports, identify any customers

518:5 whose ordering was out of line, to then to conduct

518:6 a due diligence visit inspection of that pharmacy.

518:7 Q. You spoke with -- strike that.

518:8 Would Mr. Brantley report the results of

518:9 any of his investigations to you?

518:10 A. Yes.

518:11 Q. You spoke to counsel for the plaintiffs

518:12 about whether it was possible for Mr. Brantley's

518:13 team to investigate every suspicious orders. Do

518:14 you remember that?

518:15 A. Yes.

518:16 Q. After -- and when we're talking about

518:17 suspicious orders, just to be clear, are those

518:18 orders that were already reported to DEA?

518:19 A. Yes.

518:20 Q. And in Mr. Brantley's process, did he and

518:21 his team make decisions about what suspicious

518:22 orders that had been reported to DEA posed a risk

518:23 and warranted further investigation?

518:24 A. Yes.

519:1 Q. Did you rely on Mr. Brantley and his team

## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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519:2 to make the decisions as to what reviews were

519:3 necessary and what was done?

519:4 A. Yes.

519:5 Q. Sitting here today, are you aware of any

519:6 investigation that should have been done but

519:7 wasn't?

519:8 A. No.

519:9 Q. In the event that an investigation by Mr.

519:10 Brantley determined that a pharmacy posted an

519:11 unreasonable risk of diversion, what would

519:12 happen?

519:13 A. Customer would be terminated and DEA

519:14 notified.

519:15 Q. And when we're talking about notifying

519:16 DEA, was there a particular person at DEA who

519:17 received some of Cardinal Health's

519:18 notifications?

519:19 A. Yes.

519:20 Q. Who is that?

519:21 A. That would be Kyle Wright.

519:22 Q. Did you have conversations with Mr. Wright

519:23 about Cardinal Health's system?

519:24 A. Yes.

520:1 Q. Did Mr. Wright express support of Cardinal

520:2 Health's program in 2006?

520:5 - 520:8 **Reardon, Steve 11-30-2018 (00:00:05)**

SR05.124

520:5 A. Yes.

520:6 BY MR. PYSER:

520:7 Q. What did Mr. Wright tell you about

520:8 Cardinal Health's program around 2006?

520:11 - 520:13 **Reardon, Steve 11-30-2018 (00:00:07)**

SR05.125

520:11 A. He said we were heading in the right

520:12 direction and that Eric Brantley had established a

520:13 great working relationship with him.

520:19 - 520:22 **Reardon, Steve 11-30-2018 (00:00:04)**

SR05.160

520:19 Q. Did Mr. Wright ever tell you that Cardinal

520:20 Health's anti-diversion program was deficient in

520:21 any way?

520:22 A. No.

521:11 - 521:14 **Reardon, Steve 11-30-2018 (00:00:04)**

SR05.127

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521:11 - 522:11	<p>521:11 Q. Did Mr. Wright ever tell you that Cardinal</p> <p>521:12 Health's anti-diversion program was deficient in</p> <p>521:13 any way?</p> <p>521:14 A. No.</p> <p><b>Reardon, Steve 11-30-2018 (00:00:54)</b></p> <p>521:15</p> <p>521:16 (Exhibit No. 39 marked for</p> <p>521:17 identification.)</p> <p>521:18</p> <p>521:19 BY MR. PYSER:</p> <p>521:20 Q. Showing you what's been marked as Exhibit</p> <p>521:21 39, can you tell me what it is?</p> <p>521:22 A. This would be my handwritten notes</p> <p>521:23 documenting my conversation with Kyle Wright.</p> <p>521:24 Q. Do you remember why you called Mr. Wright?</p> <p>522:1 A. Yes. I became aware of what occurred with</p> <p>522:2 AmerisourceBergen and its relationship to Internet</p> <p>522:3 pharmacy. And I wanted to speak with Kyle, that</p> <p>522:4 it was Eric Brantley and myself that contacted</p> <p>522:5 Kyle, just to make sure that we were doing the</p> <p>522:6 right thing.</p> <p>522:7 Q. Explain to the jury what you remember</p> <p>522:8 about that call.</p> <p>522:9 A. Essentially, contacted Kyle, just</p> <p>522:10 explained to him why we were calling, and asked</p> <p>522:11 him are we okay with what we're doing.</p>	SR05.144
523:3 - 523:6	<p><b>Reardon, Steve 11-30-2018 (00:00:14)</b></p> <p>523:3 Q. Finish your answer, please, sir.</p> <p>523:4 A. So we wanted to know if what we were doing</p> <p>523:5 was the right process. He responded that we were</p> <p>523:6 heading in the right direction.</p>	SR05.128
524:2 - 524:4	<p><b>Reardon, Steve 11-30-2018 (00:00:05)</b></p> <p>524:2 Q. You can finish.</p> <p>524:3 A. So he thinks -- he said he thought we were</p> <p>524:4 doing the right thing.</p>	SR05.129
524:7 - 524:13	<p><b>Reardon, Steve 11-30-2018 (00:00:27)</b></p> <p>524:7 A. Gave us some guidance about if there was</p> <p>524:8 any suspicion on a customer, just walk away, offer</p> <p>524:9 to meet with us, said his -- the decision on ABC</p> <p>524:10 was not made by his office, shared with us a</p>	SR05.130



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524:16 - 525:14	<p>524:11 little bit about pain management clinics, and that</p> <p>524:12 if we ever came across anything, to let him know</p> <p>524:13 and just to document everything we were doing.</p> <p><b>Reardon, Steve 11-30-2018 (00:00:40)</b></p> <p>524:16 BY MR. PYSER:</p> <p>524:17 Q. Showing you what's been marked as Exhibit</p> <p>524:18 40.</p> <p>524:19</p> <p>524:20 (Exhibit No. 40 marked for</p> <p>524:21 identification.)</p> <p>524:22</p> <p>524:23 BY MR. PYSER:</p> <p>524:24 Q. Do you recognize Exhibit 40?</p> <p>525:1 A. Yes.</p> <p>525:2 Q. Is this an e-mail you wrote based on your</p> <p>525:3 call with Mr. Wright?</p> <p>525:4 A. Yes.</p> <p>525:5 Q. Does the e-mail accurately describe the</p> <p>525:6 content of that phone call?</p> <p>525:7 A. Yes.</p> <p>525:8 Q. And was it written the day after the call?</p> <p>525:9 A. Yes.</p> <p>525:10 Q. If you look at the first bullet point,</p> <p>525:11 does it state that -- well, let's go right above</p> <p>525:12 that first -- "Key feedback from Kyle included,"</p> <p>525:13 do you see that?</p> <p>525:14 A. Yes.</p>	SR05.131
525:17 - 525:20	<p><b>Reardon, Steve 11-30-2018 (00:00:04)</b></p> <p>525:17 Q. And under that, does it say, "He thinks we</p> <p>525:18 are doing the right things and heading in the</p> <p>525:19 right direction"?</p> <p>525:20 A. Yes.</p>	SR05.132
525:24 - 526:11	<p><b>Reardon, Steve 11-30-2018 (00:00:33)</b></p> <p>525:24 Q. Do you recall, in 2006 and 2007, a series</p> <p>526:1 of letters from DEA to all distributors?</p> <p>526:2 A. Yes.</p> <p>526:3 Q. You were asked about some of those letters</p> <p>526:4 earlier today by Mr. Fuller?</p> <p>526:5 A. Yes.</p> <p>526:6 Q. From your perspective, was Cardinal Health</p>	SR05.133

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526:7 in compliance with all of the guidance in  
526:8 Mr. Rannazzisi's September 27, 2006 letter?

526:9 A. Yes.

526:10 Q. As part of that letter -- I believe it's

526:11 Exhibit 30.

526:12 - 528:3

**Reardon, Steve 11-30-2018 (00:01:48)**

SR05.158

526:12 In Exhibit 30, Mr. Rannazzisi wrote that  
526:13 "DEA recognized that the overwhelming majority of  
526:14 registered distributors act lawfully and take  
526:15 appropriate measures to prevent diversion.  
526:16 I think we're on the wrong page. I draw  
526:17 your attention here -- it's exhibit, so I can't  
526:18 highlight it, but the second paragraph. Do  
526:19 you see where it says "DEA recognizes the  
526:20 overwhelming majority" --

526:21 A. Yes.

526:22 Q. -- "of registered distributors act  
526:23 lawfully and take appropriate measures to prevent  
526:24 diversion"?

527:1 A. Yes.

527:2 Q. Did you believe Cardinal was among those  
527:3 distributors that was acting lawfully and taking  
527:4 appropriate measures?

527:5 A. Yes.

527:6 Q. Why?

527:7 A. A couple of reasons. Based on the fact  
527:8 that we were using a report that DEA approved,  
527:9 submitting it to them as required, having it  
527:10 reviewed during cyclic inspections with no  
527:11 negative findings, the process we put in place in  
527:12 our cage and vault, and then the steps we took  
527:13 after our meeting with the DEA around Internet  
527:14 pharmacy.

527:15 Q. Now, there's also -- as part of Exhibit 30  
527:16 on Page 9, there's a list of circumstances that  
527:17 may be indicative of diversion.

527:18 Was Cardinal Health using those  
527:19 suggestions from the DEA to look for circumstances  
527:20 that might be indicative of diversion?

527:21 A. Yes.

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527:22 Q. In your view, was there a time when DEA  
527:23 guidance regarding shipment of suspicious orders  
527:24 changed?

528:1 A. Yes.

528:2 Q. Approximately when was that?

528:3 A. September 2007.

528:4 - 529:6

**Reardon, Steve 11-30-2018 (00:01:12)**

SR05.134

528:4 Q. I'm showing you what's been marked as  
528:5 Exhibit 41.

528:6

528:7 (Exhibit No. 41 marked for  
528:8 identification.)

528:9

528:10 BY MR. PYSER:

528:11 Q. Can you tell me what Exhibit 41 is?

528:12 A. This is the presentation given at the drug  
528:13 enforcement industry conference by  
528:14 AmerisourceBergen.

528:15 Q. And there's some handwriting on Exhibit 41  
528:16 throughout the exhibit. Can you tell us whose  
528:17 handwriting that is?

528:18 A. That's mine.

528:19 Q. Tell the jury what you remember about the  
528:20 presentation.

528:21 A. That essentially this was going to be the  
528:22 new standard for the industry with respect to how  
528:23 suspicious orders were monitored, reported and  
528:24 handled.

529:1 Q. And did you subsequently draft an e-mail  
529:2 to others in anti-diversion as a result of what  
529:3 you had seen at that industry conference?

529:4 A. Yes.

529:5 Q. In exhibit -- and excuse me, and is that  
529:6 e-mail Exhibit 42?

529:7 - 530:6

**Reardon, Steve 11-30-2018 (00:00:52)**

SR05.159

529:7

529:8 (Exhibit No. 42 marked for  
529:9 identification.)

529:10

529:11 (Witness reviews document.)

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529:12 BY MR. PYSER:

529:13 Q. Is the e-mail you wrote Exhibit 42?

529:14 A. Yes.

529:15 Q. And you wrote "DEA is setting a new

529:16 standard, which we must comply."

529:17 What did you mean by "a new standard"?

529:18 A. It was a change in the way that -- moving

529:19 away from the ingredient limit report and there

529:20 was -- the biggest thing that came out to me here

529:21 was they were clear-cut that -- do not ship.

529:22 Q. And was that new to you?

529:23 A. That was new to me.

529:24 Q. And what steps did Cardinal Health take

530:1 after the presentation by AmerisourceBergen and

530:2 DEA?

530:3 A. Well, immediately upon return to the -- to

530:4 our corporate office, we started pulling together

530:5 the appropriate team to start developing a new

530:6 program.

530:7 - 531:1

**Reardon, Steve 11-30-2018 (00:00:40)**

SR05.135

530:7 Q. Earlier, when you were being asked

530:8 questions by plaintiffs, you were shown some

530:9 differences between Ohio and Illinois.

530:10 Do you remember that?

530:11 A. Yes.

530:12 Q. Would every one of the pills, every piece

530:13 of medication that was in that chart, have been

530:14 reported to DEA through the ARCOS system?

530:15 A. Yes.

530:16 Q. And to your knowledge, would every

530:17 prescription that was filled in either Ohio or

530:18 Illinois or West Virginia, or any other state for

530:19 that matter, would that have required a doctor's

530:20 prescription?

530:21 A. Yes.

530:22 Q. And for every prescription and pill

530:23 dispensed, would there have had to have been a

530:24 pharmacist with the corresponding responsibility

531:1 who made a decision to dispense that medication?

531:3 - 531:3

**Reardon, Steve 11-30-2018 (00:00:01)**

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## SR05-Reardon, Steve - Plaintiff and Defense Combined Submission

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532:4 - 532:17	<p>531:3 A. Yes.</p> <p><b>Reardon, Steve 11-30-2018 (00:00:29)</b></p> <p>532:4 Q. Approximately how many distribution</p> <p>532:5 facilities does Cardinal Health have?</p> <p>532:6 A. They could have -- I mean approximately in</p> <p>532:7 the mid twenties.</p> <p>532:8 Q. Do the distribution centers for Cardinal</p> <p>532:9 Health distribute to specific geographic areas?</p> <p>532:10 A. Yes.</p> <p>532:11 Q. To your knowledge, was there ever a</p> <p>532:12 suspension order for any facility that shipped to</p> <p>532:13 northern Ohio?</p> <p>532:14 A. No.</p> <p>532:15 Q. Was there ever a suspension order to any</p> <p>532:16 facility that shipped to West Virginia?</p> <p>532:17 A. No.</p>	SR05.138
534:9 - 534:14	<p><b>Reardon, Steve 11-30-2018 (00:00:10)</b></p> <p>534:9 Q. Mr. Reardon, in your experience at</p> <p>534:10 Cardinal Health over 25 years, did you ever see</p> <p>534:11 Cardinal Health ship an order that you believed</p> <p>534:12 would be diverted?</p> <p>534:13 A. No.</p> <p>534:14 MR. PYSER: No further questions.</p>	SR05.139

Plaintiffs Affirmative Designations = 00:45:51

Defense Counter Designations = 00:29:28

Plaintiff Counter Counters = 00:00:52

**Total Time = 01:16:11**